



General Assembly

***Substitute Bill No. 590***

*February Session, 2000*

***An Act Concerning Insurance Guaranty Fund Credits.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (h) of section 38a-866 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (h) (1) Each insurer paying an assessment under sections 38a-858 to  
4 38a-875, inclusive, may offset [fifty] one hundred per cent of the  
5 amount of such assessment against its premium tax liability to this  
6 state under chapter 207. [accrued with respect to business transacted in  
7 such year.] Such offset shall be taken over a period of the five  
8 successive tax years following the year of payment of the assessment,  
9 at the rate of twenty per cent per year of the assessment paid to the  
10 association. Each insurer which has offset assessments paid to the  
11 association from its premium tax liability to the state shall pay to the  
12 state [fifty] one hundred per cent of any sums which are acquired by  
13 refund from the association pursuant to subsection (f) of this section.  
14 The association shall notify the commissioner that such refunds have  
15 been made.

16 (2) An insurer may transfer any offset provided under this  
17 subsection to an affiliate, as defined in section 38a-1, of that insurer.

18 Sec. 2. Section 38a-841 of the general statutes is amended by adding  
19 subdivision (3) as follows:

20 (NEW) (3) (A) Each insurer paying an assessment under sections  
21 38a-836 to 38a-853, inclusive, may offset one hundred per cent of the  
22 amount of such assessment against its premium tax liability to this  
23 state under chapter 207 of the general statutes. Such offset shall be  
24 taken over a period of the five successive tax years following the year  
25 of payment of the assessment, at the rate of twenty per cent per year of  
26 the assessment paid to the association. Each insurer which has offset  
27 assessments paid to the association from its premium tax liability to  
28 the state shall pay to the state one hundred per cent of any sums which  
29 are acquired by refund from the association pursuant to subdivision  
30 (2) of this section. The association shall notify the commissioner that  
31 such refunds have been made.

32 (B) An insurer may transfer any offset provided under this  
33 subdivision to an affiliate, as defined in section 38a-1, of that insurer.

34 Sec. 3. Section 38a-849 of the general statutes is repealed.

35 Sec. 4. This act shall take effect from its passage and shall be  
36 applicable to income years commencing on and after January 1, 2000.

**FIN Committee Vote:** Yea 39 Nay 0 JFS